



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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November 20, 2001

SENT VIA EMAIL AND U.S. MAIL

Jeffrey J. Jones, Esq.
Kenneth W. Salinger, Esq.
Jay E. Gruber, Esq.
Palmer & Dodge, LLP
111 Huntington Avenue
Boston, MA 02199-7613

Re: D.T.E. 01-31-Phase I
D.T.E.'s Second Set of Information Requests to AT&T

Dear Messrs. Jones, Salinger, and Gruber:

Enclosed please find the second set of questions to AT&T Communications of New England, Inc. issued by the Department in the above-captioned matter. Please submit AT&T's responses to the Department and the participants in hard copy and by email on or before 5:00 p.m., Thursday, November 30, 2001. Should you have any questions, please contact me at (617) 305-3608.

Sincerely,

/s/

Paula Foley
Hearing Officer

Encs.

cc: D.T.E. 01-31 service list (w/encs.)

INSTRUCTIONS FOR RESPONSES TO INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to AT&T Communications of New England, Inc. the following Information Requests.

Instructions

The following instructions apply to the Information Requests issued to all parties in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punched page with a recitation of the request, a reference to the request number, the docket number and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the petitioner or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions, and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
5. The term "document" is used in the broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department, and on all Department staff and parties; and submit two (2) copies of the responses to Paula Foley, Hearing Officer.

QUESTIONS TO AT&T COMMUNICATIONS OF NEW ENGLAND, INC.

D.T.E. 01-31-Phase I

November 20, 2001

Questions Based upon Anthony Fea's Direct Testimony

1. See p. 13, line 20 through p. 14, line 6: Did the incident described in Mr. Fea's testimony, where conditions imposed by the local government forced AT&T to delay its entry into a particular market, occur in Massachusetts? If yes, please provide a detailed narrative of the incident; if no, please state whether and how many similar incidents have occurred in Massachusetts and provide detailed narratives of each incident.

Questions Based upon John Mayo's Surrebuttal Testimony

2. See p. 6, lines 7-9: Verizon has indicated that AT&T's proposed market power analysis is impractical and would cause excessive administrative burdens; yet according to Mr. Mayo's testimony, AT&T's proposal is the "standard approach to understanding market power." In the absence of a verifiable, bright-line test, what objective standard would you measure the results against?
3. See p. 6, lines 12-24: In his Rebuttal Testimony, Dr. Taylor interpreted Dr. Mayo's count of 68 non-competitive services and Dr. Selwyn's identification of the wire center level as the appropriate market for customer purchasing decisions and has concluded that Dr. Mayo advocates over 18,000 market power studies. Verizon considers such a proposition as excessively burdensome and not feasible in a reasonable time frame. Dr. Mayo indicates that Verizon's conclusion is the result of improperly defined relevant markets. How does AT&T define the relevant markets? What would be the administrative costs and the time frame required to conduct inquiries into the relevant markets as AT&T defines them?
4. See p. 14, lines 13-15: According to Mr. Mayo's testimony, "[T]he vertically integrated firm may have incentives to delay, deny, or denigrate the emergence of competition of the retail-stage offering." Please explain what ILEC behaviors are contemplated here, and how they may be employed to "delay the emergence of competition," "deny the emergence of competition," and "denigrate the emergence of competition."
5. See p. 14, lines 15-16: According to Mr. Mayo's testimony, "Both price and non-price means may be available for the vertically integrated firm to protect its monopoly power base." If price floors were maintained for retail services in a deregulated environment where UNE prices are set at economic cost, explain how the ILEC would still be able to engage in predatory pricing or a "price squeeze?"

6. See p. 15, lines 5-7: According to Mr. Mayo's testimony, "Consequently, the Department must engage in an inquiry to assure itself that, in the post-reintegration world, Verizon is continuing to act in a non-discriminatory fashion toward its retail-stage competitors." Are Mr. Mayo's concerns addressed by the Performance Assurance Plan ("PAP")? If not, why not? Is Mr. Mayo suggesting that the Department needs to amend the PAP? If so, in what ways does Mr. Mayo recommend that the PAP be amended or modified?
7. See p. 16, line 22 through p. 17, line 5: Please provide all documents and sources relied upon in support of Mr. Mayo's statement that "there is some indication that the success of new entrants into the local exchange arena is driven by a desire by business customers to create redundancies (not previously provided) in their telecommunications systems. Thus, while such customers may view CLEC's [sic] as viable providers of redundancies for their existing telecommunications demands, these customers are less willing to view CLECs as viable replacements for Verizon's services."